GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:1831
ANSWERED ON:04.12.2006
PAYMENT FOR SUGARCANE
Jha Shri Raghunath

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) Whether sugar mills are required to make payment of sugarcane within 14 days of supply of cane ;

(b) If so, the action taken against the defaulting sugar mills to recover the cane price arrears alongwith the interest as per the provisions of Sugarcane (Control) Order, 1966; and

(c) The measures taken to protect and promote the interest of farmers and ensure remunerative price immediately on the delivery of their agriculture produce?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (DR. AKHILESH PRASAD SINGH)

(a),(b)&(c) : Under Clause 3(1) of the Sugarcane (Control) Order, 1966 the sugarcane growers are entitled to receive the Statutory Minimum Price (SMP) of sugarcane as fixed by the Central Government. It is the minimum price below which no sugar factory can purchase sugarcane from the sugarcane growers. Besides the SMP, the sugarcane growers are also entitled to receive the additional cane price if the sugar factory has made profits as provided in Clause 5A of the Sugarcane (Control) Order, 1966.

Clause 3 (3) of the Sugarcane (Control) Order, 1966 provides that where a producer of sugar, purchases any sugarcane from a grower of sugarcane or from a sugarcane growers` cooperative society, the producer shall unless there is an agreement in writing to the contrary between the parties, pay within 14 days from the date of delivery of the sugarcane to the seller. Clause 3 (3-A) of the said Order provides that where a producer of sugar or his agent fails to make payment for the sugarcane purchased within 14 days of the date of delivery, he shall pay interest on the amount due at the rate of 15% per annum for the period of such delay beyond 14 days. Further, under the provisions of the Sugarcane (Control) Order, 1966, the cane price arrears are recoverable as arrears of land revenue and the State Governments have been authorized in this regard.

The above provisions of the Sugarcane (Control) Order, 1966 ensure timely and remunerative price to the sugarcane farmers.